الشركة المتحدة للإستثمارات المالية م.ع.م.
United Financial Investments PLC

الرقم: ١/ هـ أ/ ٢٠١٩/١٢٨
التاريخ: ٢٠١٩/٣/٣١

السادة هيئة الأوراق المالية المحترمين

الموضوع : البيانات المالية السنوية المدققة
للسنة المنتهية في ٢٠١٨/١٢/٣١

تحية طيبة وبعد،،،

إشارة إلى قرار هيئة الأوراق المالية الصادرة بتاريخ ٢٠١٧/١/٢٤ بالزام الشركات المساهمة العامة وصناديق الاستثمار المشترك والجهات المصدرة للأوراق المالية بالافصاح عن بياناتها المالية وغير المالية باللغتين العربية والانجليزية اعتبارا من ٢٠١٧/٢/١.

نرفق لكم طيه القوائم المالية باللغة الانجليزية للسنة المنتهية ٢٠١٨/١٢/٣١ مع تقرير مدقق الحسابات المستقل.

To: Jordan Securities Commission Amman Stock Exchange Date:- 31/3/2019 Subject: Audited Financial Statements for the fiscal year ended 31/12/2018	السادة هيئة الاوراق المالية السادة بورصة عمان السادة مركز ايداع الأوراق المالية التاريخ:- ٢٠١٩/٣/٣١ الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في ٢٠١٨/١٢/٣١
Attached the Audited Financial Statements of (United Financial Investment) for the fiscal year ended 31/12/2018	مرفق طيه نسخة من البيانات المالية المدققة لشركة (المتحدة للاستثمارات المالية) عن السنة المالية المنتهية في ٢٠١٨/١٢/٣١
Kindly accept our high appreciation and respect Company's Name United Financial Investment General Manager's Signature	وتفضلوا بقبول فائق الاحترام،،، اسم شركة المتحدة للاستثمارات المالية توقيع المدير العام

- مرفق طيه CD البيانات المالية بصيغة PDF كما في ٢٠١٨/١٢/٣١.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام
ناصر العمد

الشركة المتحدة للإستثمارات المالية م.ع.م

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٣١ آذار ٢٠١٩
الرقم المتسلسل: ١٦٦٥
رقم الملف: ٢١٠٩١
الجهة المختصة: الإدراج

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS

31 DECEMBER 2018

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS

31 DECEMBER 2018

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Financial Investments Company (A Public Limited Shareholding Company) (later on "Company") as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- Statement of financial position as at 31 December 2018;
- Statement of comprehensive income for the year then ended;
- Statement of changes in shareholder's equity for the year then ended;
- Statement of cash flows for the year then ended; and
- Notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Key audit matter	Provision for impairment financial brokerage customers and margin receivables.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain as in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represents a risk of material misstatement due to fraud.

We designed the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the company's structure, the accounting processes and controls, and the industry in which the company operates.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we responded to key audit matter
Provision for impairment of financial brokerage customers and margin receivables As described in the accounting policy (2.10) and note number (4) "Critical accounting estimates and judgments", management calculates the provision for impairment of financial brokerage customers and margin receivables by applying the accounting policy described in Note (2.2) and (2.10). In accordance with the requirements of IFRS 9 Financial Instruments since the beginning of 2018. Which requires the use of the forward-looking model (expected credit loss) as explained in Note 2.2 to the financial statements. Due to the importance of these estimates and judgments, It is considered as significant risk which might lead to material misstatement in the financial statements when available information and estimates are misused to determine the provision value. The effects of implementing the standard on opening balances of retained earnings as of 1 January 2018 was not material. The impact of the adoption is fully explained in Note 2-2 to the financial statements. Standard.	We have performed the following procedures to assess the reasonableness of the Provision for impairment of financial brokerage customers and margin receivables: • Understood the nature of financial brokerage customers and margin receivables portfolio. • Assessed management's methodology in assessing the required provision as at 31 December 2018. • Assess the management methodology used to determine the value of the provision as of 31 December 2018, and compare it with the requirements of IFRS 9. • Evaluate the assumptions used by the Company in determining the factors leading to a significant increase in credit risk and the inclusion of credit exposures within different stages. • Use our specialized internal experts to assess the following aspects: 1. The conceptual framework used in the development of the Group's impairment policy in the context of its compliance with the requirements of IFRS 9. 2. Methodology of the expected credit loss model and the calculations used to calculate the probability of default and loss resulting from default and exposure due to default of the Group's financial instrument categories.

pwc

As disclosed in Note (8) to the financial statements, the provision balance as at 31 December 2018 amounted to JD 1,346,527.	3. Reasonableness of the assumptions used in preparing the model framework, including the assumptions used to assess future scenarios and the significant increase in credit risk. • Compare the assumptions used in the application of the expected loss model (ECL) with the requirements of IFRS No. 9. • Review a sample of management's estimates of recoverable amount when selling the asset to assess its reasonableness. • Tested the completeness of data used to calculate the expected credit loss (ECL) • Tested some of customers classified as non-performing customers to check the reasonableness of their classification • Tested select of relevant procedures and internal controls applied by the management. • Re-calculated the provision for impairment of the overdue financial brokerage customers and margin receivables for a sample of customer according to the company's policy and IFRS (9). • Assessed the adequacy of disclosures over the Provision for impairment of financial brokerage customers and margin receivables

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The management is responsible for the other information. Other information include all the information in the Company's annual report of 2018, except for the financial statements and the auditor's report. We were not provided with the other information to the date of our report and it is expected to be provided to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we have not been provided with, and we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the effective laws in the Hashemite Kingdom of Jordan, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Company maintains proper books of accounts, which are consistent, in all material aspects, with the accompanying financial statements. We recommend the General Assembly to authorize them.

Certified Public Accountants
PwC
Amman - Jordan

PricewaterhouseCoopers "Jordan" L.L.C.

Amman, Jordan
14 March 2019

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018	2017
		JD	JD
Assets			
Non-current assets			
Property and equipment	5	391,751	419,081
Intangible assets		152	791
Deposits of settlement guarantee fund		49,000	25,000
Deferred tax assets	15	972,093	905,002
Investment in an associate	6	41,672	41,672
		1,454,668	1,391,546
Current Assets			
Financial assets at fair value through profit and loss	7	4,270,523	4,315,859
Receivables – Financial brokerage customers – net	8	2,913,858	2,659,557
Other debit balances	9	92,107	80,138
Cash on hand and at banks	10	1,856,447	1,579,379
		9,132,935	8,634,933
Total assets		10,587,603	10,026,479
Shareholder's equity and Liabilities			
Shareholder's equity			
Authorised and paid in capital	11	8,000,000	8,000,000
Statutory reserve	12	1,690,658	1,642,871
Voluntary reserve		40,873	40,873
Fair value reserve		(35,505)	(35,505)
(Accumulated losses)		(465,811)	(939,656)
Net shareholders' equity		9,230,215	8,708,583
Liabilities			
Current liabilities			
Due to related parties	21	41,328	21,687
Payables - financial brokerage customers	13	1,054,250	1,199,499
Other credit balances	14	177,331	35,564
Provision for income tax	15	84,479	61,146
Total liabilities		1,357,388	1,317,896
Total shareholders' equity and liabilities		10,587,603	10,026,479

The accompanying notes from 1 to 22 form an integral part of these financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		JD	JD
Revenue			
Commission income from financial brokerage, net		1,957,668	679,096
Losses from revaluation of financial assets at fair value through profit and loss		(232,205)	(1,348,798)
Profit from sale of financial assets at fair value through profit and loss		19,611	356,334
Dividends income		-	62,470
Interest income		37,008	14,517
Other income		12,246	16,434
Net revenue/ (loss)		1,794,328	(219,947)
Expenses			
Employees' expenses	16	(789,000)	(555,304)
Administrative expenses	17	(394,853)	(126,560)
Investors' protection fund expenses		(87,603)	(23,211)
Depreciation and amortization		(38,823)	(51,988)
Interest expense		(6,175)	(13,253)
Total expenses		(1,316,454)	(770,316)
Income/ (Loss) for the year before tax		477,874	(990,263)
Income tax	15	43,758	105,879
Income/ (Loss) for the year		521,632	(884,384)
Add: Income/ (loss) from sale of financial assets at fair value through other comprehensive income		-	51,163
Total comprehensive Income/ (loss) for the year		521,632	(833,221)
Basic and diluted earnings per share from profit or (loss) for the year	18	0.07	(0,11)

The accompanying notes from 1 to 22 form an integral part of these financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Authorised and paid in capital	Statutory reserve	Voluntary reserve	Financial assets valuation reserve - net	(Accumulated losses)	Total shareholders' equity
	JD	JD	JD	JD	JD	JD
2018						
Balance as at 1 January 2018	8,000,000	1,642,871	40,873	(35,505)	(939,656)	8,708,583
Total comprehensive income for the year	-	-	-	-	521,632	521,632
Transfers to Statutory Reserve	-	47,787	-	-	(47,787)	-
Balance as at 31 December 2018	8,000,000	1,690,658	40,873	(35,505)	(465,811)	9,230,215
2017						
Balance as at 1 January 2017	8,000,000	1,642,871	40,873	(312,066)	170,126	9,541,804
Loss for the year	-	-	-	-	(884,384)	(884,384)
Loss from sale of financial assets at fair value through other comprehensive income	-	-	-	276,561	(225,398)	51,163
Balance as at 31 December 2017	8,000,000	1,642,871	40,873	(35,505)	(939,656)	8,708,583

The accompanying notes from 1 to 22 form an integral part of these financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	JD	JD
Operating activities		
Profit/ (loss) for the year before tax	477,874	(990,263)
Adjustments		
Depreciation and amortization	38,824	51,988
Losses on valuation of financial assets at fair value through profit and loss	232,205	1,348,798
Profit on sale of financial assets at fair value through profit and loss	(19,611)	(356,334)
Dividends income	-	(62,470)
Interest expense	6,175	13,253
Interest income	(37,008)	(14,517)
Change in working capital items		
Financial assets at fair value through profit and loss	(167,258)	(1,005,050)
Receivables - financial brokerage customers	(254,301)	1,009,418
Retention fund	(24,000)	-
Other debit balances	(11,969)	(43,947)
Due from/ to related parties	19,641	172,889
Payables - financial brokerage customers	(145,249)	(322,137)
Other credit balances	141,767	(80,924)
Net cash from (used in) operating activities before income tax paid	257,090	(279,296)
Income tax paid	-	(74,093)
Net cash from (used in) operating activities	257,090	(353,389)
Investing activities		
Purchase of property and equipment	(10,855)	(6,333)
Purchase of intangible assets	-	(610)
Proceeds from sale of financial assets at fair Value through other comprehensive income	-	304,762
Interest income received	37,008	14,517
Net cash flows from investing activities	26,153	312,336
Financing activities		
Interest paid	(6,175)	(13,253)
Net change in cash and cash equivalents	277,068	(54,306)
Cash and cash equivalents at 1 January	1,579,379	1,633,685
Cash and cash equivalents at 31 December	1,856,447	1,579,379

The accompanying notes from 1 to 22 form an integral part of these financial statements

(1) GENERAL INFORMATION

United Financial Investments Company (the "Company") was established as a public limited shareholding company, under the registration no. (297) on 8 October 1995, according to the Companies Law with a share capital of JD 1,500,000 divided into 1,500,000 shares of JD 1 each. The Company's paid in capital was increased subsequently, the last of which was during 2010. Accordingly, the Company's paid in capital has reached JD 8,000,000 at JD 1 par value for each share.

The Company is 50.02% owned by the Jordan Kuwait Bank, and its financial statements are consolidated with those of the Bank.

The Company's head office is located in Amman, Shmeisani - Abdul Aziz Al Th'albi Street, P.O. Box 927250 - Amman 11192, the Hashemite Kingdom of Jordan.

The Company's main objectives are to provide administrative and consultation services on investment portfolios. In addition, the company provides agency or financial consultancy services, investing in securities, and performing feasibility studies.

The Company has been granted approval from the Jordan Securities Commission to operate in margin financing on 20 October 2006.

The Company's financial statements were approved by the Board of Directors at its meeting held on 7 February 2019.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the company in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of United Financial Investments Company (A Public Limited Shareholding Company) have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

The Jordanian Dinar is the Company's presentation currency in the financial statements, which is the also the functional currency of the Company.

The financial statements have been prepared in accordance with the historical cost convention, except for the financial assets at fair value through the statement of income and comprehensive income, which are recognised at fair value at the date of the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in (note 4).

2.2 Changes in accounting policies and disclosures

a. New and amended standards and interpretations issued and adopted by the Company for the financial year beginning on 1 January 2018, which do not have a significant impact on the financial statements:

- Recognition of deferred tax assets for unrealisable losses - amendments to IAS 12 "Income tax".

- Improvements of disclosures - amendments to IAS 7, 'Statement of cash flows'.

- Transfers of investment properties - amendments to IAS 40 "Investment properties".

- Annual amendments to IFRSs – 2012-2014 Cycle.

  The adoption of these amendments did not have any impact on reported amounts in previous periods. Most of amendments will have no impact on current or future periods.

- **IFRS 15, "Revenue from contracts with customers":**

  The International Accounting Standards Board issued a new standard for the recognition of revenue. This standard will replace IAS 18, which covers goods and services contracts and IAS 11, which covers construction contracts. Based on the new standard, revenues are recognised upon the transfer of control of the goods or services to the customer.

- **Impact:** There is no effect due the adoption of the new standard on the Company's financial statements and the management does not expect any material impact based on the study prepared by the management. The control is not transferred to the customer during the manufacturing period unless it is examined by the quality and delivered to the customer.

- **IFRS 9, 'Financial instruments':**

  IFRS 9 addresses the classification, measurement, recognition and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The standard introduced the new impairment model for recognition of impairment provisions.

  The impact of adoption of IFRS 9:
  The Company has reviewed its financial assets and liabilities and expects no significant impact on the financial statements as a result of the adoption of the new standard on 1 January 2018 (note 8). The main aspects of the adoption are as follows:

  (a) Classification and measurement of financial assets:

  The Company does not expect to have any impact on the company's accounting of financial assets since it has applied early adoption to the first stage of IFRS 9 at 1 January 2011. Based on the request of the Securities Commission.

(b) Classification and measurement of financial liabilities:

- IFRS 9 has retained the requirements contained in IAS 39 regarding the classification of financial liabilities. IAS 39 (adjusted) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through the profit and loss statement, while IFRS 9 requires the following:

- Recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through the profit or loss statement arising from changes in credit risk in the statement of comprehensive income.

- The remaining amount of fair value valuation differences is recognised in the statement of profit or loss.

(c) Hedge accounting

On initial adoption of IFRS 9, the Company will have a choice to continue to apply hedge accounting requirements under IAS 39 instead of the requirements of IFRS 9.

(d) Impairment of financial assets

- IFRS 9 replaces the "incurred losses" model adopted in IAS 39 to the forward-looking model "expected credit loss", which requires the use of estimates and judgments to estimate the economic factors, where this model has been applied on all financial assets - debt instruments classified at amortised cost or at fair value through the statement of comprehensive income or at fair value through profit or loss.

- Impairment losses have been accounted for in accordance with the requirements of IFRS 9 as per the following:

- 12-month impairment losses: Impairment is calculated for the 12 months following the date of the financial statements.

- Impairment losses for the useful life of the instrument: the amount of the impairment on the life of the financial instrument is calculated until the maturity date of the financial statements.

- The mechanism for calculating expected credit losses depends on the probability of default, which is calculated according to the credit risk, future economic factors and loss given default (LGD), which depends on the collection value of the existing collaterals and the amount of the exposure at default (EAD).

(e) Disclosures

- IFRS 9 requires several detailed disclosures, particularly with respect to hedge accounting, credit risk and expected credit losses. The Company is providing all the details required for these disclosures to be presented in subsequent financial statements after adoption.

(f) Adoption

- The Company has assessed the impact of the adoption of IFRS 9 on the opening balances of retained earnings as at 1 January 2018 which did not have a significant impact on the financial statements.

b. New and amended standards and interpretations issued but not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Company:

- **IFRS 16, 'Leases'**

- Nature of change: IFRS 16, "Leases" was issued in January 2016 and will almost lead to recognition of all leases in the statement of financial position, as the difference between the operating and financing leases is eliminated. The standard requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals. An optional exemption exists for short-term and low-value leases. Accounting for lessors did not change significantly.

- **Impact:** The standard will primarily affect the accounting of the Company's operating leases. There are no significant operating leases on the Company as of the date of the financial statements. Therefore, the impact is not expected to be material to the Company's financial statements.

Mandatory adoption date: Mandatory for financial years beginning on or after 1 January 2019. At this stage, the Company does not intend to adopt the standard before its effective date. The Company intends to apply the simplified transition approach and will not restate the comparative amounts for the previous year.

There are no other standards that are not yet effective that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.3 Foreign currency translation

a. Functional and presentation currency

- Items included in the financial statements of the Company are evaluated using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jordanian Dinar, which is the Company's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the Jordanian Dinar using the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into the Jordanian Dinar at prevailing year-end exchange rates. Foreign exchange gains and losses resulting from that are recognised in the statement of income.

2.4 Property and equipment

Property and equipment are shown at historical cost, less accumulated depreciations. Historical cost includes expenses related to the acquisition of property and equipment.

Subsequent costs are included in the asset's value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of income during the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the property and equipment cost over their estimated useful lives. The main useful lives used for that purpose are:

	%
Building	2
Furniture and fixtures	15
Decorations	15
Office equipment	20
Computers	35
Vehicles	15
Intangible Assets	50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's book value is written down to its recoverable amount if the asset's net book value is greater than its recoverable amount, and the decrease is recognised in the statement of income (Note 2.5).

Gains or losses on property, plant and equipment disposals are determined by comparing the proceeds with the amount included and are recognised in the statement of comprehensive income.

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired at the end of each financial period are reviewed for possible reversal of the impairment.

2.6 Investment in an associate

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method, which provides that the investment is recognised at cost of acquisition and adjusted to the Company's share of the associate's profit or loss.

The financial statements of the associates are prepared for the same financial year using the same accounting policies used by the Company. If the accounting policies adopted by the associates are different, the required adjustments are made on the financial statements of the associates to be consistent with the accounting policies used by the Company.

2.7 Financial assets at fair value through the statement of income

Financial assets through the statement of income represent investments in equity; the objective of holding them is to maintain profit from fluctuations in short-term market prices or profit margin of trading operations.

These assets are recognised at fair value upon purchase, and acquisition expenses are recognised in the statement of income upon purchase and they are revalued at fair value. Changes in the fair value are included in the statement of income. In the case of selling such assets or part thereof, the resulting profits or losses are recorded in the statement of income.

2.8 Financial assets at fair value through the statement of comprehensive income

These financial assets represent investments in equity instruments and debt instruments for the purpose of holding them on a long-term basis.

These assets are recognised at fair value plus acquisition expenses upon purchase and are subsequently re-evaluated at fair value. Change in fair value is included in the statement of comprehensive income and in equity, including the change in fair value resulting from the translation of some items of non-monetary assets in foreign currencies. In the case of selling such assets or part thereof, profits or losses are recorded in the statement of comprehensive income and equity. Balance of the sold financial asset valuation reserve is directly transferred to retained earnings and losses rather than through the statement of income.

Dividends are recognised in the statement of income.

2.9 Receivables - financial brokerage customers

Receivables of financial brokerage clients are stated at amortized cost.

A provision for impairment of receivables of financial brokerage customers is booked if it becomes apparent that it is not possible to collect the amounts due to the Company and when there is an objective evidence that an event had a negative impact on the future cash flows of these receivables and when this impairment can be estimated under IFRS. The provision is recorded in the statement of income.

Interests and commissions on non-performing receivables of margin clients are suspended.

2.10 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial assets or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company first assesses whether objective evidence of impairment exists.

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of income.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less.

2.12 Fair value of financial assets

The closing prices (purchase of assets) at the statement of financial position date in active markets represent the fair value of the financial instruments and derivatives that have market prices. In the absence of quoted prices or the absence of active trading of certain financial instruments, derivatives or market inactivity, their fair value is estimated in a number of ways, including:

- Comparing the fair value with the current market value of a substantially similar financial instrument.
- Analysing future cash flows and discounting expected cash flows at a rate used in an similar financial instrument.

Long-term financial assets and liabilities that are not interest bearing are assessed under the cash flow discount and at the effective interest rate. The discount / premium is amortised in the interest income received / paid in the statement of income.

The assessment methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any anticipated risks or rewards when estimating the value of financial instruments. Where there are financial instruments that cannot be reliably measured, they are stated at cost less any impairment.

2.13 Payables – Financial brokerage customers

Payables of brokerage clients include obligations in return of services made in the Company's ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Payables of brokerage customers are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Revenue and expenses recognition

Interest revenues are recognised using the effective interest method, except for interests and commissions of non-performing margin clients receivables, which are not recognised as revenues, and they are recorded to the account of outstanding interests and commissions.

Banks interest revenues and expenses are recognised on accrual basis.

Expenses are recognised on accrual basis.

Brokerage commission are recorded as revenues when relevant services are rendered, and accounted for at a specific percentage of the market equity of shares sold or purchased in favour of the client.

Dividends of company's share are recognised upon the declaration of these dividends, and the Company is entitled to receive it.

2.15 Provisions

Provisions are recognised when the Company has obligations at the date of the financial statements arising from past events and these obligations can be paid and reliably determined.

2.16 Income tax

Tax expenses represent amounts of tax payable.

Payable tax expenses are calculated based on taxable profits. Taxable profits are different from profits disclosed in the financial statements, as disclosed profits include revenue that is not subject to tax, expenses that are not recognisable in the financial year but in subsequent years or accumulated losses that are accepted in terms of tax or items that are not taxable or recognisable for tax purposes.

Taxes are calculated as per the tax rates established by the laws, regulations and instructions.

Deferred tax is the tax expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the financial statements and the value based on which tax profit is calculated. Deferred tax is calculated using the liability method in the financial position, and deferred tax is accounted for in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets.

2.17 Employee benefits

For defined benefit plans, the Company mandatorily pays contributions to the pension insurance fund managed by a government entity (the Social Security Corporation). The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as social security expense when they are due.

2.18 Financial instruments by category

	2018 JD	2017 JD
Assets as per the statement of financial position And receivables		
Receivables - financial brokerage customers - net	2,913,858	2,659,557
Other debit balances (excluding prepayments)	47,360	33,867
Financial assets at fair value through profit or loss	4,270,523	4,315,859
Cash on hand and at banks	1,856,447	1,579,379
	9,088,188	8,588,662
Liabilities as per the statement of financial position		
Financial liabilities at amortised cost		
Due to related parties	41,328	21,687
Payables of financial brokerage clients	1,054,250	1,199,499
Other credit balances	177,331	35,564
	1,272,909	1,256,750

(3) RISK MANAGEMENT

3.1 Financial risk factors

The Company activities expose it to a variety of financial risks: market risk (including interest rate risk & risk of changing stock prices), credit risk and liquidity risk. The Company's overall risk management programme focuses on minimise potential adverse effects on the Company's financial performance.

(a) Market risk

Market risks are losses of the value arising from changes in market prices as the change in interest rates, foreign exchange rates, and prices of equity instruments and therefore changes in fair value of the cash flows of financial instruments within and outside the statement of financial position.

- Foreign currency risk

Foreign currency risks result from the change in prices of financial instruments due to changes in exchange rates.

Most of the Company's transactions are in the Jordanian Dinar or US Dollar. The foreign exchange rate between the US Dollar and the Jordanian Dinar is fixed, therefore, the Company is not exposed to risks of currency exchange.

- Interest rate risk

Interest rate risks are the risks related to change the value of a financial instrument as a result of changes in market interest rates.

There are no significant interest bearing liabilities as at 31 December 2018 and 31 December 2017.

- Risks of changing stock prices

The change in the prices of shares traded in securities as at the date of the financial statements of higher/ lower than 5% has the following effect on the results of the Company:

	Change in price	2018	2017
		JD	JD
Impact on profit and loss	5%	213,526	215,793
		213,526	215,793

In the event of an adverse change in the indicator, the effect is expected to be equal and opposite to the effect shown above.

(b) Credit risk

Financial assets that are subject to credit risk are limited to cash at banks and receivables and other debit balances. The Company only deals with financial institutions of high credit solvency. The Company has a policy for limiting the value exposed to credit risk at a single financial institution. Utilised credit limits are monitored on a regular basis.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments.

The Company manages liquidity risk through the availability of the necessary cash, borrowing, and credit facilities. The Company also monitors cash flows due from customers.

The table below analyses the financial liabilities of the Company (that are not discounted) to certain categories as at the statement of financial position date based on the maturity date of the remaining periods.

	Less than 1 year
	JD
As at 31 December 2018	
Due to related parties	41,328
Payables - financial brokerage customers	1,054,250
Other credit balances	177,331
As at 31 December 2017	
Due to related parties	21,687
Payables - financial brokerage clients	1,199,499
Other credit balances	35,564

3.2 Capital risk management

The Company manages its capital to ensure its ability to continue and maximise the return to shareholders by achieving an optimal balance between shareholders' equity and debt.

The Company follows a strategy to maintain the ratio of debt to shareholders' equity within a reasonable level.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Accounting estimates and judgements are constantly evaluated by the Company and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risks of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

(a) Provision for impairment of financial brokerage customers and margin receivables

The Company establishes a provision for debts of brokerage clients as per the accounting policy set out in note (2.9). The provision of impairment of financial brokerage receivables and customer's margin receivables is calculated in accordance with IFRS (9).

(b) Income tax

The Company is subject to income tax, which requires making significant judgements in determining the provision for income tax. There are several transactions and calculations related to the Company's ordinary business for which tax determination is not identified. The Company recognises liabilities for tax auditing depending on its expectations on whether there would be any additional tax. If the final tax assessment is different from what was recorded, such differences affect the income tax in the period in which such differences are determined.

(5) PROPERTY AND EQUIPMENT

	Lands and buildings	Furniture and fixtures	Decorations	Office equipment's	Computers	Vehicles	Total
	JD	JD	JD	JD	JD	JD	JD
2018							
Cost							
1 January 2018	466,906	58,105	97,249	184,113	124,076	119,992	1,050,441
Additions	-	755	-	5,092	5,008	-	10,855
31 December 2018	466,906	58,860	97,249	189,205	129,084	119,992	1,061,296
Accumulated depreciation							
1 January 2018	115,543	56,832	93,816	136,785	119,018	109,366	631,360
Depreciation expense	9,338	738	655	17,022	3,820	6,612	38,185
31 December 2018	124,881	57,570	94,471	153,807	122,838	115,978	669,545
Net book value at 31 December 2018	342,025	1,290	2,778	35,398	6,246	4,014	391,751

	Lands and buildings JD	Furniture and fixtures JD	Decorations JD	Office equipment JD	Computers JD	Vehicles JD	Total JD
2017							
Cost							
1 January 2017	466,906	57,956	97,249	182,846	119,810	119,341	1,044,108
Additions	-	149	-	1,267	4,266	651	6,333
31 December 2017	466,906	58,105	97,249	184,113	124,076	119,992	1,050,441
Accumulated depreciation							
1 January 2017	106,205	55,315	92,977	120,406	115,922	91,368	582,193
Depreciation expense	9,338	1,517	839	16,379	3,096	17,998	49,167
31 December 2017	115,543	56,832	93,816	136,785	119,018	109,366	631,360
Net book value at 31 December 2017	351,363	1,273	3,433	47,328	5,058	10,626	419,081

(6) INVESTMENT IN AN ASSOCIATE

	2018	2017
	JD	JD
Investment in Global One for Financial Investments* (Syria)	41,672	41,672

* The Company's management recognised impairment losses amounting to JD 556,534 in 2016 due to the turbulent political events in Syria.

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2018	2017
	JD	JD
Shares traded at Amman Stock Exchange	4,502,728	5,664,657
Change in fair value	(232,205)	(1,348,798)
	4,270,523	4,315,859

The above financial assets are stated at fair value.

(8) RECEIVABLES - FINANCIAL BROKERAGE CUSTOMERS – NET

The details of this item are as follows:

	2018	2017
	JD	JD
Receivables of financial brokerage customers	2,936,341	3,078,637
Receivables of margin trading customers*	1,459,197	1,093,889
	31,289	-
	4,426,827	4,172,526
Provision for impairment of financial brokerage customers and margin receivables	(1,346,527)	(1,346,527)
Interest in suspense	(166,442)	(166,442)
Receivables - financial brokerage customers – net	2,913,858	2,659,557

* The Company grants facilities to customers up to a maximum of 50% of initial margin of the market value of securities on the date of purchase provided that this percentage is not less than 30% of (maintenance margin) of the customer's investment value as per marginal financing instructions for the year 2006 issued by the Jordan Securities Commission with interest up to 9% with a guarantee of financing investments, and reviewed on a periodic basis. The details as at 31 December 2018 are as follows:

- The total market value of the portfolios is JD 1,434,893 (2017: JD 1,133,387).
- The total funded by the company is JD 499,774 (2017: JD 134,466).
- Total funded by customers (security margin) JD 935,118 (2017: JD 998,921).
- The percentage of amounts funded by customers to the total market value of the portfolios is 65% (2017: 88%).

The Company follows a policy of obtaining adequate customer guarantees where appropriate to reduce the risk of financial losses arising from non-fulfilment of obligations. The Company takes an allowance for receivables that may not be collected in accordance with International Financial Reporting Standards (IFRS). Total due accounts receivable as follows:

	2018 JD	2017 JD
Receivables - brokerage customers		
1 – 7 days	185,913	221,683
8 – 30 days	2,018,627	1,769,247
31 – 60 days	199,921	534,009
61 – 90 days	2,931	47,240
91 – 120 days	26,530	4,828
Over 120 days	502,419	501,630
	2,936,341	3,078,637
Receivables of margin trading customers	1,459,197	1,093,889
Securities Depository Center 's receivables	31,289	-
	4,426,827	4,172,526

The movement of provision for impairment of financial brokerage customer during the year is as follows:

	2018 JD	2017 JD
Balance as at 1 January	1,346,527	1,346,527
Provision provided during the year	-	-
Balance as at 31 December 2017	1,346,527	1,346,527

Receivables include concentration risk as the biggest five receivables comprising of 65% (2017: 70%) of the net balances of receivables.

Details of the provision in accordance with IFRS (9) was as follows

	31 December 2018
	JD
Stage (1)	76
Stage (2)	3,665
Stage (3)	1,342,786
	1,346,527

(9) OTHER DEBIT BALANCES

	2018	2017
	JD	JD
Employees' receivables	43,595	30,030
Prepaid expenses	44,747	46,270
Refundable deposits	3,755	3,755
Other	10	83
	92,107	80,138

(10) CASH ON HAND AND AT BANKS

	2018	2017
	JD	JD
Cash on hand	24,883	54
Cash at banks	1,831,564	1,579,325
	1,856,447	1,579,379

For the purpose of the statement of cash flows, cash and cash equivalents represents the following:

	2018	2017
	JD	JD
Cash on hand and banks	1,354,397	1,579,379
Deposits	502,050	-
	1,856,447	1,579,379

(11) AUTHORIZED AND PAID-IN CAPITAL

The authorized and paid in capital of the Company is JD 8,000,000 divided into 8,000,000 with a par value of JD 1 per share.

(12) STATUTORY RESERVE

In accordance with the requirements of the Jordanian Companies Law and the Bylaws, the Company shall deduct 10% of the annual net profits and transfer them to the statutory reserve. This deduction shall continue for each year, provided that the balance of the statutory reserve shall not exceed 25% of the Company's capital. For the purposes of this Act, net profit represents profit before deduction of income tax provision. This reserve is not available for distribution to shareholders.

(13) PAYABLES - FINANCIAL BROKERAGE CUSTOMERS

	2018	2017
	JD	JD
Due to financial brokerage services customers	1,054,250	1,199,499

* The above payables are non-interest bearing. Policies for the management of financial risks are applied to ensure payment of payables within agreed payment periods.

(14) OTHER CREDIT BALANCES

	2018	2017
	JD	JD
Shareholders' deposits	24,641	24,641
Accrued employees bonuses	138,620	-
Accrued expenses	9,000	9,000
Customers' deposits	1,517	1,517
Other	3,553	406
	177,331	35,564

(15) INCOME TAX

	2018	2017
	JD	JD
At 1 January	61,146	135,925
Income tax paid	-	(74,093)
(Surplus) tax due from profits for the year	23,333	(686)
At 31 December	84,479	61,146

Income tax stated in the statement of income is as follows:

	2018	2017
	JD	JD
(Surplus) tax from profit for the year	23,333	(686)
Deferred tax assets	(67,091)	(105,193)
	(43,758)	(105,879)

Accounting profit settlement against tax profit is summarised as follows:

	2018	2017
	JD	JD
Accounting profit or (loss)	477,874	(990,264)
Non-deductible expenses	339,422	1,365,102
Non-taxable profits	(112,289)	(979,490)
Less: accumulated losses	(604,652)	-
Profit/(Loss) tax profit	100,355	(604,652)
Statutory tax rate	24%	24%
Income tax for the year	24,085	-
Offset income tax deducted from interest payables	(752)	(686)
(Surplus) income tax on the year's profit	23,333	(686)
Effective tax rate	6%	-

Deferred tax assets resulted from the following:

	2018					2017
	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Provision for doubtful debts	1,346,527	-	-	1,346,527	323,166	323,166
Losses from valuation of financial assets at fair value through profit or loss - inside the Kingdom	2,108,461	200,000	(112,241)	2,196,220	534,308	506,031
Losses from valuation of financial assets at fair value through other comprehensive income	243,191	-	-	243,191	24,319	24,319
Losses from valuation of investment in associates	514,862	-	-	514,862	51,486	51,486
Employee service provision	-	138,620	-	138,620	38,814	-
	4,213,041	338,620	(112,241)	4,439,420	972,093	905,002

The movement on the account of deferred tax assets is as follows:

	2018	2017
	JD	JD
At 1 January	905,002	776,187
Additions	94,813	348,031
(Released) during the year	(27,722)	(219,216)
At 31 December	972,093	905,002

A final clearance has been obtained from the Income and Sales Tax Department until the end of 2014. The company submitted the income tax return for 2015, 2016 and 2017 on the date specified by law in which they were not yet reviewed by the tax consultant. Management and the tax advisor believe that the Company will not have any obligations exceeding the appropriation booked at 31 December 2018.

The Company was subject to income tax of 24% for the years 2017 and 2018.

(16) EMPLOYEES EXPENSES

	2018	2017
	JD	JD
Salaries and employees benefits	440,456	450,219
Employees end of service expenses	138,620	-
Bonuses for employees allowance	88,752	-
Social security	51,779	53,276
Leave allowance	30,855	28,012
Health insurance	19,804	3,272
Company's contribution in Saving Fund	13,789	12,525
Other bonuses	3,000	8,000
Training expenses	1,945	-
	789,000	555,304

(17) ADMINISTRATIVE EXPENSES

	2018	2017
	JD	JD
Amman stock exchange commissions	169,593	-
Professional fees	72,366	26,720
Board of directors remunerations	23,068	-
Subscription	19,436	19,982
Post, telephone and internet	18,273	16,527
Maintenance expenses	11,083	6,684
Transportation	10,641	3,306
Vehicles expenses	6,495	5,124
Advertisement	5,519	4,385
Bank charges	2,915	5,971
Hospitality	1,938	1,607
Annual report expenses	1,585	1,581
Water, electricity and heating	1,014	2,191
Cleaning	943	517
Stationary	790	983
Fees and licenses of financial brokerage	599	11,370
Others	48,595	19,612
	394,853	126,560

(18) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT/ (LOSS)FOR THE YEAR

	2018	2017
	JD	JD
Profit/Loss for the year	521,632	(884,384)
Weighted average number of shares during the for the year	8,000,000	8,000,000
	JD/ Share	JD/ Share
Earnings per share for the year	0,07	0,11

The basic net earnings per share for the year equals the diluted loss per share as the Company did not issue any financial instruments that may have an impact on the basic earning per share.

(19) SEGMENTS ANALYSIS

	Inside the Kingdom		Outside the Kingdom		Total	
	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD
Net Profit/(losses)	1,794,328	(219,947)	-	-	1,794,328	(219,947)
Total expenses	(1,316,454)	(770,316)	-	-	(1,316,454)	(770,316)
Profi/(Loss) for the year before tax	477,874	(990,263)	-	-	477,874	(990,263)
Income tax					43,758	105,879
Profit/(Loss) for the year					521,632	(884,384)

	Inside the Kingdom		Outside the Kingdom		Total	
	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD
Assets	10,545,931	9,984,807	41,672	41,672	10,587,603	10,026,479
Liabilities	1,357,388	1,317,896	-	-	1,357,388	1,317,896

(20) FAIR VALUE HIERARCHY

The following table represents financial instruments carried at fair value based on the valuation method, where different levels are defined as follows:

Level1: Quoted prices (unadjusted) of assets or liabilities in active markets, most of the financial assets at fair value through the statement of comprehensive income are listed in Amman Stock Exchange.

Level 2: Quoted prices of similar financial assets and liabilities in active markets, or other price evaluation methods whose significant inputs are based on market data.

Level 3: Pricing methods where not all significant inputs are based on observable market data. The Company has used its carrying amount, which is the best available instrument for measuring the fair value of such investments.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
31 December 2018				
Financial assets at fair value through profit or loss	2,072,399	2,198,124	-	4,270,523
	2,072,399	2,198,124	-	4,270,523
31 December 2017				
Financial assets at fair value through profit or loss	1,917,735	2,398,124	-	4,315,859

The fair value of financial instruments not included in the statement of financial position are not significantly different from their carrying values included in the financial statements. Fair value of customers' receivables stated at amortised cost is not significantly different from the carrying value stated in the financial Statements.

(21) RELATED PARTIES

The parties are considered as related parties when they have the ability to control the other party or exercise significant influence in making financial and operational decisions:

Related parties represented in Jordan Kuwait Bank (the parent) and Board members of the bank and their relatives.

1. Balances with related parties are as follows:

	2018	2017
	JD	JD
Due to related parties		
Management and Board members	41,328	21,687

The following transactions were carried out with related parties:

	2018	2017
	JD	JD
Revenues from related parties		
Jordan Kuwait Bank (Parent)	18,810	14,481
Members of executive senior management	16,070	9,240
Board of directors members	4,764	-
	39,644	23,721
Related parties expenses		
Jordan Kuwait Bank (Parent)	9,134	18,709
Members of executive senior management	289,067	236,925
Board of directors members	23,068	-
	321,269	255,634

- Salaries, bonuses and benefits of senior executive management of the company amounted to JD 289,067 for the year ended 31 December 2018 (JD 236,925: 31 December 2017).

(22) CONTINGENT LIABILITIES

As at 31 December, the Company has contingent liabilities that may arise in the ordinary course of business , which include bank guarantees provided by Jordan Kuwait Bank (Parent) amounting to JD 733,180 (31 December 2017: JD 805,000).